

EXHIBIT "A"

CAC Financial Corp. ("CAC") collects delinquent accounts of Stage Stores, Inc. (including, with limitation, delinquent accounts generated by stores operated under the names Beall's, Palais Royale and Stage Stores) pursuant to that certain Collection Service Agreement dated as of December 15, 1999 ("Agreement"), by and between CAC and Speciality Retailers, Inc., a copy of which is attached.

While CAC believes that the Agreement is an executory contract and while CAC has not received any notice with respect to a bar date, CAC is filing this proof of claim for protective purposes.

As of the petition date, CAC was owed the following amounts with respect to the following types of stores:

Beall's	\$33,278.26
Palais	\$10,049.59
Stage	<u>\$12,171.90</u>
Total Due	\$55,499.75

COLLECTION SERVICE AGREEMENT

This Collection Service Agreement (the "Agreement") made and entered into this the 15th day of December, 1999, by and between CAC Financial Corp., a Oklahoma Corporation (the "Collector"), and Specialty Retailers, Inc., a Texas Corporation, acting as agent for Granite National Bank, a National Bank (the "Client").

WHEREAS, Client has delinquent accounts which it desires to assign to Collector for collection;

WHEREAS, Collector has the expertise and is qualified to collect Client's delinquent accounts; and

WHEREAS, Client desires to refer some or all of its delinquent accounts and Collector desires to accept such accounts for collection under the terms of this Agreement as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Referral of Accounts.

Collector agrees to accept for collection, upon terms, conditions and provisions herein set forth, those delinquent accounts, which Client refers to it for collection, without regard to the amount. This Agreement applies to all accounts referred to Collector by Client for collection. Collector agrees that it shall not refer or otherwise assign any account or interest therein to any other entity without the prior written consent of Client.

2. Collection Practices.

Collector shall promptly undertake, using its best efforts through proper and lawful means, the collection of all accounts referred to it by Client. Collector shall not, under any circumstances, use any threats, intimidation or harassment techniques in the collection of accounts or violate any federal or state law. Collector is not authorized to institute any legal proceedings on Client's behalf.

3. Term and Termination.

A. Term. The initial term of this Agreement shall be one year ending on 12-15-2000. This Agreement shall be renewed automatically for successive one-year periods thereafter, unless sixty (60) days prior to the expiration of the then existing term, Collector or Client shall give the other party written notice of its intent to terminate this Agreement effective upon the expiration of the then existing term.

B. Termination. Notwithstanding anything to the contrary contained herein, Client will have the right to terminate this Agreement by giving thirty days (30) days written notice to Collector of its intent to terminate this Agreement. Further, Client shall have

the right to terminate this Agreement for good cause at any given time by giving written notice of its intent to terminate to Collector, said termination being effective immediately upon receipt of said notice. Notice of termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination except as otherwise stated herein.

C. Continuing Obligation. Unless directed otherwise by Client, upon termination of this Agreement, Collector agrees to continue to provide service for all pending claims at the rate for the contract year immediately preceding, until said claim is handled, or for a period of thirty days following the termination date, whichever is less.

D. Return of Files. Upon termination of this Agreement, and at the time directed by Client, Collector will ship any collection files, policy and procedure manuals, or other documentation which Collector has maintained for Client collections to any named location specified by Client. Collector shall ship claim files and other documentation for active claims immediately upon said termination or request, and shall ship said documentation for closed files within thirty (30) days of said termination or request.

E. Miscellaneous. See attached Addendum.

4. Invoices.

Collector will provide a collection invoice, on a mutually agreed upon form, to Client at least once a month on the first of each month which sets forth all payments made to Collector during the prior month as well as those made directly to Client, subtotaled by state (the "Invoice"). Client agrees to notify Collector of direct payments. Collector shall forward all amounts collected to Client.

5. Fees.

The fee for the collection of those accounts referred to Collector pursuant to section 1 above shall be 30% primary placements and 30% secondary placements of the total amount Collector actually collects on those accounts. Client shall pay Collector such fees within thirty (30) days of receipt of the Invoice.

6. Relationship Between Collector and Client.

The relationship of Collector to Client is that of an independent contractor. Collector understands and agrees that Collector is not an employee or servant of Client and shall not be entitled to any benefits not specified herein (including without limitation the benefits of any insurance policies maintained by Client). Collector will not hold Collector out as an employee of Client. All expenses incurred by Collector under or in connection with this Agreement shall be borne solely by Collector.

Collector shall have the right to endorse for deposit all payments received on those accounts assigned to Collector, on behalf of Client, as Client's agent. Any such amounts shall be held by Collector solely for the benefit of Client and Collector shall not have the right to retain

any sums from those amounts collected, specifically including but not limited to any fees. Collector shall not have the right and is not authorized to bring legal proceedings with respect to any accounts assigned to Collector.

7. Warranties.

Collector warrants and represents that its operations comply in all respects with the provisions of the Federal Fair Debt Collection Practices Act, any applicable state debt collection statutes, and/or any other applicable law. Collector further warrants and represents that it is in compliance with any applicable licensing and/or registration requirements that may exist under either federal or state law, and that all required bonds, if any, have been filed. Collector covenants and agrees to maintain all such licenses and bonds in full force and effect at all times during the term of this Agreement and to provide Client with evidence thereof upon Client's request.

8. Insurance.

Collector shall procure and maintain a policy or policies of general liability insurance at Collector's sole cost and expense, insuring both Collector and Client against all claims, demands or actions arising out of or in connection with Collector's obligations hereunder, the limits of such policy or policies to be in an amount not less than \$1 million combined single limit and shall be written by insurance companies reasonably satisfactory to Client. The insurance policy or policies must provide for not less than thirty (30) days prior written notice to Client of any material change, cancellation or renewal. Collector shall provide a certificate evidencing such insurance to Client, upon Client's request.

9. Indemnification.

Collector agrees to indemnify, defend (through separate counsel satisfactory to Client) and hold harmless Client from and against any and all losses, claims, demands, suits or actions, of whatever type or nature, arising from or in any way due to or connected with any activity of Collector or of its agents, attorneys, servants, or employees in collecting or in attempting to collect any account or accounts referred to Collector by Client under this Agreement.

10. Notices.

Any notices or consents required or permitted to be given pursuant to the terms of this Agreement shall be in writing, and shall be hand delivered, or sent by certified mail return receipt requested, postage prepaid, and addressed as follows:

Notice to Company:

Specialty Retailers, Inc.
Attn: Vice President of Credit
1020 Willowcreek
Jacksonville TX 75766

Notice to Collector:

CAC Financial Corp.
Attn: Brad Lantz
2601 NW Expressway Ste 1000
Oklahoma City OK 73112

11. Miscellaneous Provisions.

The following miscellaneous provisions shall apply to the performance, construction and interpretation of this Agreement.

A. This Agreement contains the sole, only and entire agreement of the parties hereto and supersedes any prior understandings of written or oral agreements between the parties respecting the subject matter hereof. No representations, warranties or promises not expressly contained herein shall be binding upon the parties.

B. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

C. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

D. This Agreement may be amended or modified only by an instrument in writing executed by all parties hereto. Neither this Agreement, nor the responsibilities, obligations or benefits hereunder, shall be assigned by either party without the prior written consent of the other party.

E. This Agreement has been drawn and prepared as a result of the bilateral negotiations between the parties hereto, and this Agreement shall, in the event of any dispute over its meaning, application, interpretation or construction, be construed reasonably, such that no ambiguities shall be resolved presumptively against any party as a matter of law.

F. This Agreement shall be construed under and in accordance with the laws of the state of Texas, and all obligations of the parties created hereunder are performable in whole or in part in Harris County, Texas, where venue shall lie for any action brought hereunder.

G. Any waiver of any breach hereof or default hereunder shall not constitute a waiver of any subsequent breach of the same or any other provision contained herein.

H. Time is of the essence of this Agreement.

I. If either party hereto shall institute any action or proceeding against the other party hereto relating to this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party all fees and expenses incurred in connection therewith including, without limitation, reasonable attorneys' fees and all court costs.

Executed on the date first written above.

June 15, 1999

SPECIALTY RETAILERS, INC.,
as Agent for **GRANTE NATIONAL**
BANK

By: [Signature]
Name: Bradley Allen Lantz
Title: EVP EOOD

By: Ken Brumfield
Name: Ken Brumfield
Title: Vice President of Credit

ADDENDUM

This addendum (the "Addendum") to the Collection Service Agreement (the "Agreement") shall serve to modify the terms set forth in the Agreement. To the extent that the terms and provisions set forth herein conflict with any term or provision of the Agreement, the Addendum shall control. Accordingly, the Agreement is hereby modified as follows:

1. Collector agrees to close account upon receiving notification either by written or oral notice by authorized representative, to include but not limited to, bankruptcy, deceased debtor or account enrolled in any type of money management program.
2. Collector agrees to abide by the 80% settlement authority Client has agreed to permit to settle on any of the said accounts mentioned in contract.

Executed on this the 15 day of December, 1999.

CAC Financial Corp.

SPECIALTY RETAILERS, INC.

By: [Signature]
Name: Bradley Allen-Late
Title: VP & COO

By: [Signature]
Name: KEN BAUMBIEN
Title: VP - CREDIT SERVICES